

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

<b>In re:</b>  <b>W.R. GRACE &amp; CO., et al.,</b>  <b>Debtors.</b>	<b>§</b> <b>§</b> <b>§</b> <b>§</b> <b>§</b> <b>§</b>	<b>Chapter 11</b>  <b>Jointly Administered</b> <b>Case No. 01-01139 (JKF)</b>
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**FEE AUDITOR'S FINAL REPORT REGARDING THE QUARTERLY  
FEE APPLICATION OF THE HOGAN FIRM FOR THE  
PERIOD OF DECEMBER 21, 2009 THROUGH MARCH 31, 2010**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Quarterly Fee Application of The Hogan Firm for the Period of December 21, 2009 through March 31, 2010 (the "Application").

**BACKGROUND**

1. The Hogan Firm ("Hogan") was retained as Delaware counsel to the Canadian Zonolite Attic Insulation ("ZAI") Claimants. In the Application, Hogan seeks approval of fees totaling \$56,262.00 and expenses totaling \$2,056.92 for its services from December 21, 2009 through March 31, 2010 (the "Application Period" or the "Thirty-Sixth Interim Period"). Hogan was retained by order of the Court dated March 19, 2010, *nunc pro tunc* to December 21, 2009. This is Hogan's first fee application as a retained professional in this case.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2010, and the United States Trustee Guidelines for

Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, Issued January 30, 1996 (the "U.S. Trustee Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We sent an email inquiry to Hogan based on our review, and we received a response from Hogan, portions of which response are quoted herein.

### **DISCUSSION**


3. We noted that there were no time entries in the Application that were less than 10 minutes (0.17 hours). Local Rule 2016-2(d)(iv) requires that "[a]ctivities ... be billed in tenths of an hour (six(6) minutes);...." We asked Hogan whether its billing system was set so as to bill in minimum 10-minute increments. Hogan responded as follows: "You are correct regarding the minimum increments charged by our billing system. We will correct the Time and Expense Summary for the period 12/22/09 through March 31, 2010 . . . ." Hogan provided us with a corrected invoice for the Application Period, which invoice we have attached as Response Exhibit "A." We noted that, as a result of Hogan's corrections, the fees billed in the corrected invoice were \$687.00 less than in the original invoice attached to the Application. In response to our inquiry, Hogan advised us that it would agree to a reduction of \$687.00. We appreciate Hogan's response and recommend a reduction of \$687.00 in fees.

### **CONCLUSION**

4. Thus we recommend approval of \$55,575.00 in fees (\$56,262.00 minus \$687.00) and \$2,056.92 in expenses for Hogan's services for the Application Period.

Respectfully submitted,

**WARREN H. SMITH & ASSOCIATES, P.C.**


By:   
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**FEE AUDITOR**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 24<sup>th</sup> day of August, 2010.

  
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Warren H. Smith

## **SERVICE LIST**

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